process and realising that the presence of an Authorised Representatives/ Agent would improve the delivery of services and follow up post contractual obligations, the Ministry of Defence have, on 2nd November 2001, issued Supplementary Instructions on the appointment of Indian Authorised Representatives/Agents of foreign suppliers. The Authorised Representatives would make available information of latest tecnologies, assist during trails & help in post contractual servicing.

2. The salient features of these instructions are:

(a) All foreign suppliers who wish to appoint Indian Authorised Representatives/Agent would register them with the Ministry of Defence.

(b) The Authorised Representative/Agent could be an individual, a partnership, an association of persons, a limited company Private or Public.

(c) The agent must be an income tax payee.

(d) The foreign supplier appointing an agent must furnish copies detailing Agreement/terms of appointment.

(e) The obligations of an Authorised Representatives/Agent will flow from the contract entered with the Ministry of Defence.

(f) The foreign supplier will have to declare the payments made to the Authorised Representative/Agent.

(g) Particulars relating to agency commission would be reported to the Enforcement Directorate of Central Board of Direct Taxes.

(h) The agent will be appointed with the approval of the Secretary of the Department.

(i) These instructions will be applicable for future contracts only.

3. The new policy has been successful and the Ministry of Defence has been receiving requests from various firms for the guidelines issued by the Government in this regard.

4. This policy is applicable to all the defence deals.

Aircraft carrier deal with Russia

110. SHRI RUMANDLA RAMACHANDRAYYA: Will the Minister of DEFENCE be pleased to state:

(a) whether India and Russia have finalised the deal of aircraft carrier for the Indian Navy;

(b) if so, whether any agreement in this regard has been signed;

(c) if so, the details thereof; and

(d) by what time the agreement is likely to be implemented?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) to (d) An Inter-Governmental Agreement (IGA) has been signed on 4th October, 2000 with the Government of the Russian Federation which, *inter-alia,* provides for the acquisition of 'Admiral Gorshkov', an aircraft carrier, from Russian and its refit and modernisation. Negotiations for procurement of Admiral Gorshkov are being held. It is not possible to lay down a time limit for such a major acquisition.

CVC Report on Defence Deals

111. DR. DASARI NARAYANA RAO: Will the Minister of DEFENCE be pleased to state:

(a) whether CVC has submitted its final report to Government on defence deals; and

(b) if so, what action Government have taken on the findings of CVC?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) Yes, Sir.

(b) Based on CVC's recommendations, the Government has set up the defence Procuremnet Board, issued instructions on evolving Standard Procedure for mandatory and time bound scrutiny by the Comptroller and Auditor General and the Central Vigilance Commission of all major defence related purchase decisions, placed important data on procurement on the Defence Ministry's web site to encourage accessibility and transparency.

Modernisation of Indian Army, Navy and Air Force

112. SHRI SURESH PACHOURI: Will the Minister of DEFENCE be pleased to state:

(a) whether a large amount totalling to Rs. 3,000 crores for purchase of weapons is lying unutilised;